```
Miles E. Locker, No. 103510
   DIVISION OF LABOR STANDARDS ENFORCEMENT
   Department of Industrial Relations
    State of California
 3
   455 Golden Gate Avenue, 9th Floor
   San Francisco, CA 94102
 4
   Telephone:
               (415) 703-4863
                (415) 703-4806
 5
   Attorney for the Labor Commissioner
 6
 7
 8
                       BEFORE THE LABOR COMMISSIONER
 9
                        OF THE STATE OF CALIFORNIA
10
11
   AISHA TYLER, an individual,
                                                  No. TAC 31-01
12
                        Petitioner,
13
   vs.
                                                  DETERMINATION OF
                                                  CONTROVERSY
14
   LAUGH FACTORY MANAGEMENT, a business
   entity of unknown form; and JAMIE
15
   MASADA, an individual,
16
                        Respondent.
17
18
        The above-captioned matter, a petition to determine
19
   controversy under Labor Code §1700.44, came on regularly for
20
   hearing on June 24 and 25, 2002, in Los Angeles, California,
21
   before the Labor Commissioner's undersigned attorney specially
22
   designated hearing officer. Petitioner appeared and was
23
   represented by attorneys Michael J. Plonsker and Mark D. Passin,
24
   and Respondent appeared and was represented by attorney Joan
25
   Kenegos. Based on the evidence presented at this hearing and on
26
   the other papers on file in this matter, the Labor Commissioner
```

TAC 31-01 Decision

hereby adopts the following decision.

27

28

//

- 1. AISHA TYLER (hereinafter "Tyler" or "Petitioner") is an actress and a comedian, and is now well-known for her stand-up comedy performances. She has been a California resident at all times relevant herein.
- 2. Respondent JAMIE MASADA operates a comedy club in Los Angeles, California, doing business as a corporation under the name "The Laugh Factory." The club is known as a venue for aspiring young comedians, many of whom are "managed" by Masada, including some who have gone on to become nationally known performers. Respondent "LAUGH FACTORY MANAGEMENT" is the fictitious business name under which Masada operates his business as a "personal manager" for comedians. Masada and Laugh Factory Management have never been licensed as talent agents by the State Labor Commissioner.
- 3. On January 23, 1997, Tyler and Masada/Laugh Factory
 Management executed a written agreement under which Masada was to
 serve as Tyler's personal manager for which Masada would be paid
 commissions in the amount of 15% of Tyler's entertainment
 industry earnings. This personal management agreement contains a
 paragraph which states: "YOU HAVE SPECIFICALLY ADVISED ME THAT
 YOU ARE NOT A 'TALENT AGENT' BUT ACTING SOLELY AS A PERSONAL
 MANAGER, AND THAT YOU ARE NOT LICENSED AS A 'TALENT AGENT' UNDER
 THE LABOR CODE OF THE STATE OF CALIFORNIA; YOU HAVE AT ALL TIMES
 ADVISED ME THAT YOU ARE NOT LICENSED TO SEEK TO OBTAIN EMPLOYMENT
 OR ENGAGEMENTS FOR ME AND THAT YOU DO NOT AGREE TO DO SO, AND YOU
 HAVE MADE NO REPRESENTATIONS TO ME, EITHER ORAL OR WRITTEN, TO
 THE CONTRARY." Notwithstanding this contractual language, prior

5

6

7 8

10 11

12

13 14

16 17

15

18

19 20

22

21

23 24

25 26

27

to entering into this agreement Masada did in fact advise Tyler that he would be able to get her work in the entertainment industry, that he had lots of connections with producers. television executives and owners of other comedy clubs, and that he could "close deals" with them. 1

- Masada engaged Tyler's services to perform at the Laugh Factory on a frequent basis throughout the period from January 1997 through December 2000. Masada frequently invited motion picture and television producers, casting directors and other entertainment industry executives to see Tyler (and other comedians for whom he provided personal management services) performing at his club, in the hope that this would lead to employment offers for Tyler (and these other comedians). On some occasions, these producers, directors and executives would observe Tyler and the other comedians performing at regularly scheduled shows that were advertised by the Laugh Factory and that were open to the public. On other occasions, Masada would set up "special showcases," which were performances that were not open to the public, at which Tyler and other performers would showcase their talents before producers.
- 5. In February or March 1997, Masada introduced Tyler to the Endeavor Talent Agency, and Endeavor began serving as Tyler's talent agency. Endeavor never undertook the responsibility of

¹ This finding is consistent with Tyler's testimony, which we credit. Although Masada denied making these representations, we find his testimony in this area to be less than truthful. This credibility finding is based in part on his demeanor while testifying, his evasiveness in answering questions, our conclusion that he was not truthful about other matters to which he testified, and on our conclusion that he proffered into evidence two falsified documents, discussed below.

procuring or booking "personal appearances" at comedy clubs or other live engagements. Rather, its representation of Tyler was limited to securing employment for her in the motion picture or television industries.

- 6. During the period from 1997 through the end of 2000, Tyler made several "personal appearances" at venues other than The Laugh Factory, in which she performed stand-up comedy before live audiences, including a one-week engagement at the Riviera Hotel in Las Vegas in January 1998, an engagement at an event called "Laughing All the Way to the Bank" at the Bellagio Hotel in Las Vegas in July 1999, another engagement at the Bellagio, called "Celebration of the Century," on December 31, 1999, and an engagement to perform at Marymount College in February 2000.
- 7. Masada called Tyler in late 1997, telling her that he got her booked for a week at the Riviera Comedy Club, that the person who books comedians for the Riviera is a friend of his, and that he negotiated the deal with his friend under which Tyler was to be paid \$1,000. The Riviera sent a contract for Tyler's services to Masada, and Tyler came into The Laugh Factory to sign the contract. There is no evidence that any person other than Masada procured this engagement for Tyler or negotiated the terms of her employment. Tyler performed this engagement during the week of January 5, 1998, received the agreed upon compensation, and paid a commission to Masada on the amount she earned.²

² Masada testified that he did not solicit or procure the engagement for Tyler, or negotiate the terms of her compensation, although he acknowledged that Steve Shirripa, the Riviera's booking agent, called the Laugh Factory and asked for "my recommendation for a female minority comic," and that in response, Masada might have recommended that they hire Tyler for

8. In May 1999, Cristi Chadwick, a booker for the Bellagio Hotel, called Masada and told him that the Bellagio needed four comedians to perform at an event scheduled for July 24, 1999 called "Laughing All the Way to the Bank." Masada told her to come out to Los Angeles and see the comedians performing at The Laugh Factory in order to decide which comedians to hire for the engagement. Chadwick attended regularly scheduled performances at the Laugh Factory during the weekend of May 14 and 15, and she

9 10

11

12

13

14

15

17

18

19

20

21

22

23

24

25

26

27

28

the engagement. Masada further testified that on December 13, 1997, he provided Tyler with a copy of the proposed contract. along with a cover letter. Tyler denied ever having seen a copy of the purported cover letter until the day of the hearing in This letter was introduced into evidence. states: "Enclosed please find the agreement dated 12/8/97 from Rio [sic]. This offer is a starting point in my opinion. You should have your husband, who knows the law and your agent read and negotiate some of the points in the agreement. You know I cannot negotiate for you. Look at our agreement, it is stated in big letters in paragraph 3. That's the reason I made it in big letters because I do not want to get in any kind of trouble with the law." The letter bears Masada's signature, and according to Masada it was typed by his assistant, Karmen Cahn. There are many factors, in addition to Tyler's testimony, upon which we base our finding that this letter was created by Masada as a fictitious piece of "evidence" some time after the instant petition to determine controversy was filed. Masada failed to produce the person who allegedly typed the letter as a witness in this proceeding. The letter itself seems almost over the top in its earnest, self-serving tone, as if it were written with the issues of this litigation in mind, rather than in the more matter-of-fact tone one would expect if indeed it had been written four years prior to the filing of the petition to determine controversy. Furthermore, it flies in the face of the declaration of Steven Shirripa, wherein he states that Masada repeatedly telephoned him with requests that the Riviera hire Tyler for a comedy engagement, and that after he agreed to hire Tyler for the engagement, Masada then negotiated the terms of her employment. Also, at the time the letter was purportedly written, Tyler's husband was a first-year law student with no expertise or exposure in the field of entertainment law, not "someone who knows the law." Finally, if the letter were actually written in December 1997, rather than four or four-and-a half years later, it is inconceivable that Masada would have confused the Riviera with the Rio, another Las Vegas hotel which never engaged Tyler's services.

watched 24 comedians perform their stand-up acts. She later informed Masada which comedians she wanted for the Bellagio 3 engagement. Ultimately, she informed Masada that she wanted to 4 book Tyler for this engagement, and she offered something less 5 than \$5,000 for Tyler's appearance. Masada told her that Tyler 6 should get \$5,000 for the engagement, and after some discussion, 7 Chadwick increased her offer to \$5,000. Masada accepted that 8 offer, and he then told Tyler that through his efforts, he got 9 more money for her than the amount the Bellagio had originally 10 offered. Masada also spoke to Chadwich in an attempt to convince her to have the Bellagio pay for Tyler's round trip air fare from 12 Los Angeles to Las Vegas. No one other than Masada negotiated 13 the terms of this engagement. Tyler performed at this event, received the agreed upon compensation, and paid Masada his 15 commission on these earnings.3

16

18

19

20

21

22

23

24

25

26

³ Masada testified that he did not negotiate the terms of this engagement, but merely told Chadwick what he thought would be the "fair amount" for the Bellagio to pay Tyler. Masada also testified that on June 12, 1999, he sent Tyler a copy of the proposed contract, along with a cover letter. Tyler denied ever seeing a copy of the purported cover letter until the day of the hearing in this proceeding. This letter was introduced into evidence. It states: "Enclosed find the agreement from Bellagio dated 6/5/99.... When Cristi Chadwich from Bellagio called, without crossing the line, I gave her my expert opinion as a club I was very careful not to cross the line.... Cristi told me she was paying everyone \$5,000, but was going to pay you \$3,500. I told her in my club I pay everyone the same.... So she is going to pay everyone the same too.... There are many factors, in addition to Tyler's testimony, upon which we base our finding that this letter was created by Masada as a fictitious piece of "evidence" some time after the instant petition to determine controversy was filed. Masada failed to produce the person who allegedly typed the letter as a witness in this proceeding. Moreover, Masada's account of his "discussion" with Chadwick is at odds with Chadwik's deposition testimony that Masada told her that Tyler "wouldn't do it for that amount" that had originally been offered. It is therefore apparent that Masada's statement that \$5,000 would constitute a "fair price"

9. In late 1999, Cristi Chadwick decided that she wanted to obtain Tyler's services to serve as the master of ceremonies for a comedy performance to be held at the Bellagio on New Year's Eve, called "Celebration of the Century." Chadwick contacted Masada, and they negotiated the terms of Tyler's services. Chadwich told Masada the Bellagio would pay Tyler \$3,500 for this event. Masada unsuccessfully sought to have Chadwick increase this offer to \$5,000. Although Tyler later spoke to Chadwick directly with her request that the Bellagio provide her with one free night of lodging, she had no discussions with Chadwick over her monetary compensation. No one other than Masada negotiated with Chadwick over the amount of Tyler's monetary compensation for this event. Tyler performed at this event on December 31, 1999, was paid the agreed upon compensation, and she then paid Masada's commission on these earnings.

10. In late 1999 or early 2000, Andre Coleman, a resident director at Marymount College and the advisor of the school's Black Student Alliance, was given the responsibility of booking a comedian to appear at an event scheduled to be held at the Marymount Student Center on February 8, 2000. Coleman did not have a specific comedian in mind, and at that time he did not know anything about Tyler. Based on a colleague's recommendation, he called the Laugh Factory and after explaining

25

28

16

17

18

19

20

21

22

23

before the filing of the petition to determine controversy.

²⁴

was offered not as an academic "expert opinion," but rather, as a desired target in the context of a negotiation for Tyler's services. Finally, the letter's focus on "not crossing the line" between the role of a talent agent and the role of a personal manager sounds much more like an explanation created in the context of ongoing litigation, rather than a communication between the parties that supposedly occurred two and a half years

12

13

14

15

the reason for his call, he was connected to Jennifer Parks,
Masada's assistant at Laugh Factory Management. Coleman told
Parks he wanted to obtain the services of an African American
comedian for this event, and Parks recommended Tyler for this
engagement. Over the course of two or three telephone
conversations, Coleman and Parks negotiated the terms of Tyler's
appearance at this event. Parks prepared a written contract on
Laugh Factory Management letterhead, under which Tyler was to be
paid \$700 for this performance. Tyler performed at this event,
received the agreed upon compensation, and paid a commission to
Masada on these earnings.

11. Despite Endeavor's role as Tyler's talent agency in connection with television and film work, Masada also

26

⁴According to Masada, Parks was never authorized by him to negotiate contracts for an artist's services. Masada claims that as soon as he learned that Parks was attempting to negotiate this deal for Tyler he told Parks that she was supposed to pass on any communication of interest in a client to the client's talent agent, so that the agent could take over the negotiations. Moreover, Masada claims that as soon as he learned what Parks was doing, he called Tyler's agent (either Adam Venit or Rick Rosen at Endeavor), and asked the agent to handle the negotiations. However, according to Masada, the agent declined to step into the negotiations, and instead gave Masada permission to negotiate the terms of the deal, and Masada then completed the negotiations with Marymount College. Masada's account is unbelievable. First, it defies credulity that Masada would seek Endeavor's involvement in this personal appearance at a live comedy event when Endeavor's representation was strictly limited to film and television work. Second, Masada's recent activities in negotiating the terms of Tyler's two Bellagio engagements (without any talent agent involvement) belies his assertion that he told Parks that she should have turned over the negotiation of this much smaller deal to an agent. Third, Masada did not produce any corroborating testimony from Parks, Venit or Rosen. Finally, Masada's claim that he completed the negotiation is contradicted by Coleman's testimony that all negotiations on Tyler's behalf were conducted by Parks. We therefore discredit all of Masada's testimony as to this engagement, including his claim that Parks acted without his authorization.

1 | ccc
2 | bcc
3 | ag
4 | Ma
5 | NE
6 | ne
7 | Ma
8 | ycc
9 | th
10 | sh
11 | sh
12 | wi
13 | du
14 | [T

communicated with various television executives, producers or bookers in an effort to procure employment for Tyler. Tyler's appearance as a guest comedian on the NBC show "Friday Night" in March 1997 came about as a result of Masada's communications with NBC. No one other than Masada was involved in procuring or negotiating the terms of that engagement for Tyler, and when Masada told Tyler about the upcoming appearance, he said "I got you a spot on [the show]." In his testimony, Masada conceded that he "may have" recommended Tyler for a role in a television show, "From the Hip," in a conversation with the producer of that show. Masada admitted that he had more than one conversation with the booker for the CBS "Late Late Show With Craig Kilburn," during which Masada told the booker that he'd "like to get [Tyler] on the show." Tyler performed on that show on November 28, 2000.

- 12. On January 26, 2001, Tyler sent a letter to Masada terminating the agreement under which he had served as her personal manager. On October 3, 2001, Masada filed a lawsuit against Tyler in the Los Angeles County Superior Court, for breach of contract, quantum meruit and an accounting. Tyler then filed this petition to determine controversy on November 6, 2001, seeking a determination that Masada acted as a talent agent without the requisite license and that as a result, the personal management agreement is void ab initio, and that Masada has no enforceable rights thereunder. The petition also seeks recovery of all amounts that Tyler paid to Masada pursuant to this agreement, along with interest.
 - 13. During the one-year period preceding the filing of the

22

23

24

25

26

27

petition to determine controversy, Tyler paid a total of \$16,500 in commissions to Masada pursuant to the terms of the personal management agreement. These payments were made on November 7, 2000, and Tyler did not make any other payments to Masada after that date.

LEGAL ANALYSIS

- 1. Petitioner is an "artist" within the meaning of Labor Code §1700.4(b).
- Labor Code §1700.4(a) defines "talent agency" as "a person or corporation who engages in the occupation of procuring, offering, promising, or attempting to procure employment or engagements for an artist or artists, except that the activities of procuring, offering or promising to procure recording contracts for an artist or artists shall not of itself subject a person or corporation to regulation and licensing under this chapter." The term "procure," as used in this statute, means "to get possession of: obtain, acquire, to cause to happen or be done: bring about." Wachs v. Curry (1993) 13 Cal.App.4th 616, Thus, under Labor Code §1700.4(a), "procuring employment" is not limited to initiating discussions with a potential purchaser of an artist's services regarding employment; rather, "procurement" includes any active participation in a communication with that potential purchaser aimed at obtaining employment for the artist, regardless of who initiated the communication. Hall v. X Management (TAC No. 19-90, pp. 29-31.) To be sure, a person does not engage in the procurement of employment for an artist by merely taking a phone call from a booking agent where the booking agent provides information about

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26 II

27

a potential engagement, and then advising the artist of the information that was received from the booking agent about the potential employment, leaving it to the artist (or the artist's licensed talent agent) to contact the booking agent to negotiate the terms of employment. But calling a booking agent to "recommend" an artist for an engagement, or carrying on negotiations with a booking agent in response to a phone call from the booking agent, brings us into the realm of "procurement," as that term is used in Labor Code §1700.4(a).

- 3. Based on the evidence herein, we conclude that Respondent acted as a talent agency within the meaning of Labor Code §1700.4(a) by procuring, attempting to procure, and promising to procure stand-up comedy and television comedy engagements for Tyler. The evidence presented here leaves no doubt that throughout the period of January 1997 to the end of 2000, Respondent repeatedly engaged in activities that fall within the statutory definition of a talent agency with respect to his representation of Aisha Tyler.
- Labor Code §1700.5 provides that "[n]o person shall engage in or carry on the occupation of a talent agency without first procuring a license . . . from the Labor Commissioner." The Talent Agencies Act is a remedial statute that must be liberally construed to promote its general object, the protection of artists seeking professional employment. Buschwald v. Superior Court (1967) 254 Cal.App.2d 347, 354. For that reason, the overwhelming weight of judicial authority supports the Labor Commissioner's historic enforcement policy, and holds that "even 28 | the incidental or occasional provision of such [procurement]

11

12

13

15

16

17

18

19

20

21

22

23

24

25

26 l

27

services requires licensure." Styne v. Stevens (2001) 26 Cal.4th 42, 51. "The [Talent Agencies] Act imposes a total prohibition on the procurement efforts of unlicensed persons," and thus, "the Act requires a license to engage in any procurement activities." Waisbren v. Peppercorn Productions, Inc. (1995) 41 Cal.App.4th 246, 258-259; see also Park v. Deftones (1999) 71 Cal.App.4th 1465 [license required even though procurement activities constituted a negligible portion of personal manager's efforts on behalf of artist, and manager was not compensated for these procurement activities].

5. An agreement that violates the licensing requirement of the Talent Agencies Act is illegal and unenforceable. "Since the clear object of the Act is to prevent improper persons from becoming [talent agents] and to regulate such activity for the protection of the public, a contract between an unlicensed [agent] and an artist is void." Buchwald v. Superior Court, supra, 254 Cal.App.2d at 351. Having determined that a person or business entity procured, promised or attempted to procure employment for an artist without the requisite talent agency license, "the [Labor] Commissioner may declare the contract [between the unlicensed agent and the artist] void and unenforceable as involving the services of an unlicensed person in violation of the Act." Styne v. Stevens, supra, 26 Cal.4th at "[A]n agreement that violates the licensing requirement is illegal and unenforceable " Waisbren v. Peppercorn Productions, Inc., supra, 41 Cal.App.4th at 262. Moreover, the artist that is party to such an agreement may seek disgorgement of amounts paid pursuant to the agreement, and "may . . . [be]

26

27

entitle[d] . . . to restitution of all fees paid the agent."

Wachs v. Curry (1993) 13 Cal.App.4th 616, 626. Restitution, as a species of affirmative relief, is subject to the one-year limitations period set out at Labor Code §1700.44(c), so that the artist is only entitled to restitution of amounts paid within the one-year period prior to the filing of the petition to determine controversy. Greenfield v. Superior Court (2003) 106 Cal.App.4th 743.

On the other hand, this statute of limitations does not apply to the defense of contract illegality and unenforceability, even where this defense is raised by the petitioner in a proceeding under the Talent Agencies Act. "If the result the [artist] seeks is [a determination] that he or she owes no obligations under an agreement alleged by [the respondent] ... the statute of limitations does not apply." Styne v. Stevens, supra, 26 Cal.4th at 53. The Labor Commissioner has exclusive primary jurisdiction to determine all controversies arising under the Talent Agencies Act. "When the Talent Agencies Act is invoked in the course of a contract dispute, the Commissioner has exclusive jurisdiction to determine his jurisdiction in the matter, including whether the contract involved the services of a talent agency." Ibid. at 54. This means that the Labor Commissioner has "the exclusive right to decide in the first instance all the legal and factual issues on which an Act-based defense depends." Ibid., at fn. 6, italics in original. doing so, the Labor Commissioner will "search out illegality lying behind the form in which a transaction has been cast for the purpose of concealing such illegality, " and "will look

1 2 3

through provisions, valid on their face, and with the aid of parol evidence, determine [whether] the contract is actually illegal or part of an illegal transaction." Buchwald v. Superior Court, supra, 254 Cal.App.2d at 351.

7. Applying these legal principles to the facts of this case, we conclude that the personal management agreement was void ab intio, that Respondent has no enforceable rights thereunder, and that nothing is owed to Respondent for the services that he provided to Tyler, regardless of whether Respondent is seeking payment for such services through a claim of breach of contract, or under any other legal theory, including unjust enrichment or quantum meruit. See Yoo v. Robi (2005) 126 Cal.App.4th 1089, 1004 n. 30. We also conclude that Tyler is entitled to restitution of the commissions she paid to Masada under this agreement during the one year period prior to the filing of this petition, with interest at the 10% legal rate from the date these payments were made.

ORDER

For the reasons set forth above, IT IS HEREBY ORDERED that the parties' personal management contract is void ab initio and unenforceable under the Talent Agencies Act, that nothing is owed to Respondent for services provided to Tyler pursuant to this agreement, and that Respondent shall pay restitution to Tyler in the amount of \$16,500, plus interest in the amount of \$8,620.68, for a total of \$25,120.68.

Dated: 1/30/06

MILES E. LOCKER

Attorney for the Labor Commissioner

ADOPTED AS THE DETERMINATION OF THE LABOR COMMISSIONER:

ROBERT A. JONES
Acting Labor Commissioner

ACTING LABOR COMMISSIONER:

STATE OF CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS - DIVISION OF LABOR STANDARDS ENFORCEMENT

CERTIFICATION OF SERVICE BY MAIL (C.C.P. §1013a)

(Aisha Tyler v. Laugh Factory Management; Jamie Masada, indiv.) (TAC 31-01)

I, MARY ANN E. GALAPON, do hereby certify that I am employed in the county of San Francisco, over 18 years of age, not a party to the within action, and that I am employed at and my business address is 455 Golden Gate Avenue, 9th Floor, San Francisco, California 94102.

On <u>February 3, 2006</u>, I served the following document:

DETERMINATION OF CONTROVERSY

by placing a true copy thereof in envelope(s) addressed as follows:

MICHAEL J. PLONSKER, ESQ.
MARK D. PASSIN, ESQ.
ALSCHULER GROSSMAN STEIN & KAHAN LLP
1620 - 26th Street, 4th Floor
North Towers
Santa Monica, CA 90404-4060

JOAN KENEGOS, ESQ.
JERRY KAPLAN, ESQ.
KAPLAN, KENEGOS & KADIN
9150 Wilshire Blvd., Suite 175
Beverly Hills, CA 90212

and then sealing the envelope with postage thereon fully prepaid, depositing it in the United States mail in the city and county of San Francisco by ordinary first class mail.

I certify under penalty of perjury that the foregoing is true and correct. Executed on <u>February 3, 2006</u>, at San Francisco, California.

Mary ann E. Galapon